



Federal Communications Commission
Washington, D.C. 20554

June 2, 2016

By UPS Overnight
And E-Mail to alanwehe@fone.net
alanwehe@GoJade.Org

Mr. Alan Wehe
General Manager
Blanca Telephone Company
129 Santa Fe Ave.
Alamosa, CO 81101

Re: The Blanca Telephone Company
Demand for Repayment of USF High-Cost Funds

DO NOT DISCARD THIS IMPORTANT NOTICE
OF A DEMAND FOR PAYMENT
OF A DEBT OWED TO THE UNITED STATES AND ORDER OF PAYMENT

Dear Mr. Wehe:

This letter is to notify you that the Federal Communications Commission (the "FCC") has determined that the Blanca Telephone Company ("Blanca" or the "Company") has received improper payments from the Universal Service Fund's ("USF") high-cost program in the amount of \$6,748,280, which was paid between 2005 and 2010. Our determination follows an investigation by the FCC's Office of Inspector General (OIG), the Universal Service Administrative Company (USAC), and the National Exchange Carrier Association (NECA). The determination of an overpayment also constitutes a debt owed to the United States that must be recovered and is immediately due and payable without further demand. Additionally, this is a Demand for Payment which provides you with certain important information including: (a) the fact that payment is due immediately, in full, and without further demand, (b) the background of the debt, (c) important rights, and (d) instructions for payment.

Background

On March 17, 2008, KPMG LLP initiated an audit of Blanca in connection with Blanca's receipt of USF high-cost program support. Thereafter, the OIG issued five administrative subpoenas for, among other things, reports, filings, and correspondence that Blanca filed with NECA and USAC regarding USF high-cost support.

On August 24, 2012, NECA initiated a "Loop" and "Non-Reg Review" focused on the underlying records for Blanca's 2011 Cost Study in the area of non-regulated operations. NECA undertook the Loop review to provide assurance the loop counts used for the 2012-1 USF filing (December 2011 loops) were properly counted and categorized in accordance with FCC rules. NECA provided Blanca with questionnaires to which Blanca responded. NECA also conducted an on-site investigation of Blanca's headquarters in Alamosa, CO. Based on Blanca's submission and NECA's on-site inspection, NECA issued a report on January 29, 2013, which concluded Blanca impermissibly received USF high-cost support because its claims for support included costs and facilities for a *mobile* wireless system.

NECA required Blanca to substantially and materially revise its high-cost support filings beginning with the 2011 Cost Study. In response, Blanca retained Moss Adams to review and revise Blanca's submissions.¹ These revisions were required because Blanca did not track or allocate expenses associated with providing local service to customers over its landline and cellular systems or the expenses associated with providing service to customers of other carriers roaming on Blanca's cellular system. Blanca operated these cellular stations and its Local Exchange Carrier (LEC) telephone company under a single management structure without allocating costs and expenses between regulated and non-regulated services. In particular, Blanca characterized its cellular stations as Basic Exchange Telephone Relay Service (BETRS) facilities in its CPRs, and by including all costs attributable to its mobile cellular system in its cost studies, failed to comply with Parts 64, 36 and 69 of the FCC's rules. The inclusion in cost studies of such cellular investment, expenses, and costs that were not used and useful to provide regulated telephone service is prohibited, and resulted in inflated disbursements to Blanca from ICLS, LSS, High Cost Loop Support, and Safety Net Additive Support.

In Blanca's responses to the OIG subpoenas and during NECA's investigation, Blanca claimed it was providing fixed wireless service, *i.e.*, BETRS, for which it was entitled to receive high-cost support as a LEC. This was not the case. In particular, NECA determined that Blanca was not providing BETRS,

¹ In addition to the Report's other findings, and in the section of NECA's report titled "Review Findings Report," NECA directed Blanca to remove from the 2011 cost study all costs and revenues associated with the wireless service, including but not limited to, towers, Blanca's ZTE wireless switch and radio equipment, including associated depreciation and expense, as well as ICLS, LLS and the 2012-1 cost loop filings. Additionally, Blanca was directed to remove all access lines and pool revenue associated with the wireless service from settlements for all months remaining in the pooling window (minutes, lines, SLCs, ARCs (starting July 2012), FUSC and switched access revenue). Blanca was also directed to remove 146 loops associated with the wireless service from the 2011 cost study, the 2012-1 high cost loop filing, and the January 2012 pool reporting. Additionally, 149 loops were to be removed from 2010 for cost study averaging. Blanca Telephone Company, 28th Access Year Review, Review Findings Report, January 28, 2013.

and instead was providing only mobile cellular service throughout its entire Eligible Telecommunications Carrier (ETC) study area. As such, Blanca improperly included costs and facilities attributable to non-regulated mobile cellular service, as well as wireless loop counts, in its cost studies that served as the basis for filing for USF high-cost funds. Although not addressed in NECA's report, Blanca's claims for USF support were also based in part on its costs to provide cellular services outside of its designated LEC study area, as demonstrated by a comparison of Blanca's LEC and cellular operating areas, a review of Blanca's billing records, and as confirmed by testimony provided during interviews of Blanca personnel as discussed below. Blanca therefore received USF high-cost support to which it was not entitled as a LEC because it submitted claims for support based upon the provision of *mobile* cellular service both within and outside of its LEC study area.

By correspondence to you on January 28, 2013, NECA directed Blanca to remove all costs attributable to its wireless service and provide documentation of the adjustments to NECA no later than February 22, 2012. Specifically, NECA directed Blanca to refile its cost study for 2011, removing all costs attributable to the wireless system, as well as revised Interstate Common Line Support (ICLS), Local Switching Support (LSS), and the 2012-1 High Cost loop filings. Blanca completed these revisions in a series of filings with NECA and USAC, and the funds for USF high-cost support for the post-2011 period have been recovered through charge backs and recoupments. Any improperly received USF high-cost support for periods prior to 2011 have not been recouped.

Findings

Since as early as 2003, Blanca has claimed reimbursement from the high-cost program for the costs of providing telephone service as a rate of return, landline carrier. Blanca is authorized to provide landline telephone service as a LEC in portions of Alamosa and Costilla Counties, CO.² As a rural LEC, and based on the services Blanca provided during the relevant period, the Company could be reimbursed from the high-cost program for only the costs of providing regulated local exchange service within its authorized ETC study area. However, our investigation found that from at least 2005, Blanca claimed all of the costs it incurred to provide telephone service as a LEC were for landline and fixed wireless service, *i.e.*, BETRS, within its authorized study area even though Blanca was providing only *mobile* cellular service. In other words, the conduct that led Blanca to repay USF high-cost support payments after 2011 began as early as 2005. As such, Blanca received improper payments from the USF high-cost support program beginning in at least 2005.

A BETRS system, whatever the frequency utilized, must be dedicated to the end user and fixed at a customer's premises in order to qualify for high-cost support as a regulated local exchange service.³

² Blanca was designated as an ETC by the Colorado Public Utilities Commission on December 17, 1997, which entitled it to receive federal universal service support in accordance with 47 U.S.C. § 254 and implementing regulations by the FCC.

³ "BETRS is provided so that radio loops can take the place of (expensive) wire or cable to remote areas. It is intended to be an extension of intrastate basic exchange service." *Basic Exchange Telecommunications Radio Service, Report and Order*, 3 FCC Rcd. 214, 217 (1988). In the 1988 *Order*, the Commission made clear that it intended "that wire and radio basic exchange service [would] be treated similarly with regard to eligibility for high cost assistance." *Id.* at note 10. We also note that BETRS is treated the same as landline basic exchange facilities and service, rather than cellular or another mobile service, for purposes of the FCC's Uniform System of Accounts.

The definition of BETRS specifically excludes the provision of cellular mobile telephone service as was provided by Blanca.⁴ In so concluding, we find unavailing your argument that for the purposes of receiving high cost support as an incumbent landline carrier, “the definition of ‘fixed’ includes wireless service that is provided to a defined, limited geographic area where it can be received by a device that is *not nailed or screwed down*.”⁵

In particular, your argument misreads NECA’s Paper 4.9, Use of Wireless Technology to Provide Regulated Local Exchange Service (“NECA Paper”) as applied to Blanca’s cellular system. There is nothing in the FCC’s regulations or precedents, or in the Communications Act of 1934, as amended, (the “Act”) to support Blanca’s position. Whether Blanca’s service is “mobile” or “fixed” is not determined based on whether Blanca’s LEC customers’ signals are automatically handed off to *other* carriers in adjoining cellular service areas, and the NECA Paper makes no such distinction. Nor does the NECA Paper suggest that “‘fixed wireless’ service may provide for geographic mobility to wireless subscribers within a broadcast area, as long as this mobility is not as extensive as the ‘full’ mobility provided by mobile wireless services.”⁶ While the NECA Paper notes that one of the characteristics of new wireless technology is that the subscriber “may have some degree of ‘portability’ within the broadcast area,”⁷ the Paper in no way equates that “portability” to a cellular company’s entire cellular service area.

Instead, the NECA Paper makes it clear, among other requirements, that a wireless system must be fixed, not mobile,⁸ in order to qualify for high cost support as a rate of return company and that the LEC’s radio equipment at the customer site must be a *fixed* radio station.⁹ While explaining that wireless technology can be an effective means to provide a supported service to telephone customers where it is cost prohibitive or impractical over wireline facilities, NECA explicitly cautions its member companies that the costs for a system to provide mobile services are outside the scope of Title II and cannot be reported to the NECA pool or recognized in USF loop cost reporting,¹⁰ which is exactly what Blanca did, contrary to NECA’s admonitions.

⁴ The Commission recognized the use of cellular frequencies on a *fixed* basis to provide BETRS was appropriate and “in the public interest since it is intended to be an extension of basic exchange service in areas where there is inadequate or no basic exchange telephone service offered.” *In the Matter of Amendment of Parts 2 and 22 of the Commission’s Rules to Permit Liberalization of Technology and Auxiliary Service Offerings in the Domestic Public Cellular Radio Telecommunications Service* in GEN. Docket No. 87–390, 3 FCC Rcd. 7033 (1988); *Reconsideration Granted in Part by In the Matter of Amendment of Parts 2 and 22 of the Commission’s Rules to Permit Liberalization of Technology and Auxiliary Service Offerings in the Domestic Public Cellular Radio Telecommunications Service*, 5 FCC Rcd. 1138 (1990) (BETRS is a radio service that can be used to provide local exchange service in rural areas. It has no specified technology, but involves the use of mobile frequencies in radio loops between a basic exchange telephone subscriber and a telephone company central office.). *Id.* at note 2.

⁵ Letter from Richard L. Tegtmeier, counsel for Blanca Telephone Company, dated October 30, 2015 in response to J. Chris Larson, Assistant United States Attorney, letter of August 10, 2015 regarding 408 Rule of Evidence Settlement Communication (“Settlement Letter”).

⁶ Settlement Letter at 2.

⁷ NECA Paper at 9.

⁸ *Id.* at n.11.

⁹ *Id.* at 10.

¹⁰ *Id.* at 10.

As noted below, Blanca customers purchase service that allows them to use their cell phones throughout Blanca's cellular service area with handoff between multiple Blanca cell sites. They also can continue to use their phones by redialing and roaming on other cellular systems, and customers from other carriers have the ability to roam on Blanca's system when they make or receive calls in Blanca's cellular service area.¹¹ Thus, NECA's conclusion in its January 29, 2013 report (the "NECA Report"), that "[i]n order to include these costs in further filings Blanca would need to provide a wireless service that is fixed to the customer location in accordance with the cost issue,"¹² was consistent with the NECA Paper.

Our review of Blanca's operations further makes clear that Blanca was not providing BETRS or fixed telephone service to its customers over its cellular facilities. Blanca operates pursuant to two mobile cellular licenses, KNKQ427 serving CMA356- Colorado 9 – Costilla and KNKR288, serving CMA354 - Colorado 7 – Saguache, which provide mobile cellular service to Blanca's own customers as well as customers roaming on its cellular system serving Costilla, Alamosa, and Conejos Counties. Blanca provides mobile cellular service to customers via five cell sites which hand off to each other.¹³ The nature of the cellular service Blanca provides and the scope of the stations' operations are documented in the series of applications Blanca filed with the Commission, the FCC-issued authorizations to provide cellular mobile service and by other representations made to the Commission.¹⁴

¹¹ At one point Blanca conducted testing of its system because Verizon customers were having difficulty making and receiving calls within Blanca's service area. Deposition of A. Wehe in Cellular Network Inc. Corporation, individually and derivatively on behalf of Colorado 7-Saguache Limited Partnership vs. Sand Dunes Cellular of Colorado Limited Partnership, Colorado 7-Saguache Limited Partnership (Nominal Defendant) and Celco Partnership and Comnet Cellular (Additional Counterclaim Defendants), Case No. 03CV4096, District Court, Arapahoe County, Colorado, October 26, 2006, at 124. Wehe also provided oral testimony that Blanca obtained roaming revenue from other carriers for their customers roaming on Blanca's system. *Id.* at 211.

¹² Cover letter to the NECA Report, at 1. This conclusion is also consistent with the discussion of new wireless technologies in the NECA Paper. While these new technologies allow for some mobility within the range of their antennas, the operator can prevent mobile operations by fixing the receiver at the customer's location. ("Use of a permanently installed transceiver at the customer premises by the telephone company or by the customer can be effective at disabling or significantly limiting any portable or mobile capability of the radio system.") *Id.* at 9. And, when the NECA Paper referred to Commercial Mobile Radio Service (CMRS) leased capacity to provide regulated exchange telephone service by local exchange carriers such as Blanca, NECA conditioned the service being fixed without regard to any "broadcast area." *Id.* at 8.

¹³ According to Keith Hazlett, a Blanca engineer, Blanca's cellular system had five cell sites which handed off to each other, and there was no requirement to his knowledge that a cellular customer be located at a fixed location. Oral testimony of Keith Hazlett, Civil Investigative Demand, Tr., at 11. Blanca did not have any restriction in its application for wireless service or on its company website that a customer be located at a fixed location as a condition of receiving cellular service. Alan Wehe also testified that a customer could use his or her cellular phone to make a call throughout Blanca's cellular network as well as roam on other carriers' systems with which Blanca had a roaming agreement. Oral testimony of Alan Wehe, Civil Investigative Demand, Tr. At 68-69.

¹⁴ That Blanca's cellular system was designed and operated to provide cellular mobile service to its customers and those traveling through Blanca's cellular service area is evident from the application filed for a new cellular station at Antonito, CO. On November 20, 1995, Colorado RSA 7(B) (2) Limited Partnership (the "Partnership"), filed an application seeking to construct a new cellular system at Antonito. When the application was filed, Blanca owned 50% of the Partnership and later acquired the remainder partnership interests on September 11, 2000. The Partnership represented the station, later licensed under call sign KNKR288, would be operated in conjunction with Blanca's adjacent cellular station KNKQ427, Costilla, CO. The application proposed to cover more than 50 square miles of unserved areas in Conejos County in southeastern RSA No. 354B, and Costilla County in southwestern RSA No. 2356B, which was outside of Blanca's study area. The application represented that the cellular system would provide direct dial mobile and portable service to the public. "The cellular system will be interconnected so that local customers and roamers are able to place and receive calls to and from any telephone or terminal connected to the public

Blanca has participated in Commission proceedings as a mobile cellular carrier in WT Docket No. 05-265. In a Petition for Reconsideration, Blanca described itself as a “wireline company ... which expanded its operations to provide mobile wireless service.”¹⁵ As Blanca explained, it was having difficulty obtaining roaming agreements for voice and data services from national wireless carriers so it could provide seamless coverage for its customers who traveled outside of its service areas. Consistent with Blanca’s representations in its Reconsideration Petition, records obtained from Blanca demonstrate the Company has negotiated dozens of roaming agreements. These agreements provided Blanca with revenues from other carriers’ customers roaming on its cellular system and also enabled Blanca’s mobile cellular customers to travel to other areas of the country and use their mobile cellular phones.

Although during NECA’s investigation Blanca professed to provide service to 146 customers who could not receive landline service because “many of BTC’s customers lack[ed] access to commercial power,”¹⁶ Blanca’s operations as a cellular carrier were substantially more extensive than the representations made in the Settlement Letter that wireless service was provided to “remote” customers. Blanca provided its wireless service to any customer who requested it, whether or not the customer could receive wireline service or was located within an area where there was a source of electrical power, as Blanca represented to NECA. And, Blanca proactively upgraded its system and coordinated with other operators in the area to enable system handoff.¹⁷

Additionally, Blanca claimed USF high-cost support to provide service outside of its study area.¹⁸ Section 214(e)(5) of the Act defines a service area as a geographic area established by a state commission for the purpose of determining universal service obligations and support mechanisms. In the case of a service area served by a rural telephone company, service area means a company’s “study area.” Only

switched telephone network, and to and from networks on other cellular or interconnected mobile systems. (Application, Exhibit VI, Colorado RSA 7B (2) Limited Partnership, Antonito, Colorado.) The Service Proposal noted that “[c]ustomers with complaints relating to their mobile or portable unit will be able to take it to the applicant’s service facility for repairs or call for a repairman to service it in the system’s service area where it is located.” Exhibit VI, Service Proposal, at 2. The application proposed to use Blanca’s cellular switch (Station KNQ427) and represented that the switching expenses would therefore be nominal. Exhibit IX, Construction Costs & First Year Operating Expenses. Blanca represented it “[had] the ability to construct and to operate the proposed system.” *Id.*

¹⁵ Petition for Reconsideration filed by Blanca Telephone Company in WT Docket No 05-265, at 1 (June 6, 2011).

¹⁶ NECA Report, Wireless Service Section at 1. Blanca also claimed that “[t]he Blanca Telephone Company has been using wireless technology since 1982 to provide basic service to approximately 150 customers in an unserved area (there are no land-line facilities available due to not being feasible and the installation would be cost prohibitive) and the area is sparsely populated.” Response of A. Wehe to OIG Subpoena dated October 23, 2012, Questions 26 & 27.

¹⁷ In this regard, Blanca also took measures to ensure that its cellular system would be compatible with other systems. Blanca installed Evolution Data Only (EVDO) equipment for its cellular system in 2007, which Blanca described as “BETRS EVDO” in its cumulative property record (CPR), to add at its five cell sites. Blanca coordinated installation of the EVDO equipment with the adjoining cellular system in which Wehe and Verizon Wireless hold ownership interests. “Verizon Wireless suggests that Blanca move to a 41 channel spacing configuration to enable inter-system hand-off. If you have any questions, let us know. Please reply with your concurrence to the plan above and dates for implementation.” (Email from M. Sandoval, Director-System Performance, Mountain Region, Verizon Wireless to T. Welch, Blanca’s FCC counsel; cc to A. Wehe, and L. Stevens, D. Sisneros, and M. Skelton of Verizon Wireless, dated July 5, 2007.)

¹⁸ Blanca provided cellular service to customers outside of Blanca’s LEC study area. For example, a review of billing records provided by Blanca reflects that customers received what it called its BETRS service in the city of Alamosa, outside of Blanca’s LEC study area, as well as in areas in which Blanca was not authorized to provide telephone service as a LEC. Response of A. Wehe to OIG Subpoena dated November 12, 2009, Question 24.

two of Blanca's cellular towers are located within Blanca's study area.¹⁹ As a LEC, Blanca did not have authority to claim high-cost support for any costs to provide service for any of its cellular customers served outside of its study area or for customers of other cellular carriers roaming on Blanca's cellular system. Any costs and expenses attributable to such cellular services were disallowed.

As discussed above, NECA determined, and we agree, that the costs and line counts Blanca was utilizing to claim high-cost support were attributable to Blanca's non-regulated cellular operations, rather than to a BETRS fixed service and were therefore not entitled to High-Cost support. NECA's investigation resulted in the recoupment of USF high-cost support only after 2011, which is only a small portion of the period during which Blanca improperly received these funds. Based on a review of Blanca's books and records obtained during the OIG investigation and Blanca's own revision of its cost study and other filings for the post 2011 period, we have determined Blanca owes the Fund an additional \$6,748,280 (the "Debt"). Further details of the Debt may be found on Attachment A hereto.

Accordingly, this letter has notified you of the Debt and it demands payment, in full, and without further demand, in accordance with the **Notice Information** provided below and Payment Instructions at Attachment B. Furthermore, you are notified that the Commission may reduce the Debt by:

- (1) Making a recoupment or offset²⁰ against other requests for claims for USF minutes of use,
- (2) Withholding payments otherwise due to Blanca, and
- (3) Other action permitted by law.

Important Notice Information

The following provides notification of procedures and information required by the Debt Collection Improvement Act of 1996.²¹ The Debt is owed to the United States. It is payable (the date of this letter is the Due Date) immediately, in full and without further demand. The Commission may apply any amount of undisbursed USF payments for minutes of use to offset or recoup the Debt.²² Any portion of the Debt unpaid at the end of the Due Date is Delinquent on that date ("Date of Delinquency") and administrative charges,²³ interest, and penalties will accrue thereafter.²⁴ The amount of interest that accrues²⁵ from the Date of Delinquency and the administrative charges are waived if the complete amount of the Debt is paid within 30 days of the Due Date.²⁶ Additionally, a penalty of six percent per annum accrues from the Date of Delinquency on any portion of the Debt that remains unpaid 90 days after the Due Date.²⁷ Furthermore, the Commission may refer a delinquent Debt to the United States Treasury or

¹⁹ Fort Garland KNKQ427 Location 1 and Blanca KNKQ427 Location 4 are situated within Blanca's authorized study area.

²⁰ An offset or recoupment means when any high-cost claim payment is due to you, the money will first be applied to any open debt followed by the pay out of any remaining balance. Such offset or recoupment does not stop interest, penalties, or other collection charges from accruing under 31 U.S.C. § 3717 and 31 C.F.R. § 901.9.

²¹ See 31 U.S.C. §§ 3716, *et seq.*; 47 C.F.R. §§ 1.1911 and 1.1901, *et seq.*

²² *United States v. Munsey Trust Co.*, 332 U.S. 234, 239, 108 S.Ct. 1599, 91 L.Ed. 2022 (1947) ("The government has the same right 'which belongs to every creditor, to apply the unappropriated moneys of his debtor, in his hands, in extinguishment of the debts due him.'").

²³ 47 C.F.R. § 1.1940(c).

²⁴ Public Law 104-134, 110 Stat. 1321, 1358 Apr. 26, 1996). See also 31 C.F.R. § 900.1, *et seq.*; 47 C.F.R. § 1.1901, *et seq.*

²⁵ 31 U.S.C. § 3717(a)-(c).

²⁶ 31 U.S.C. § 3717(d) and 47 C.F.R. § 1.1940(g).

²⁷ 31 U.S.C. § 3717(e)(2).

the Department of Justice for further collection action.²⁸ The United States Treasury will impose an additional administrative collection charge,²⁹ and it may commence administrative offset.³⁰ An additional surcharge may be imposed in connection with certain judicial actions to recover judgment.³¹

If you have evidence establishing that you do not owe the Debt, or if you have further verified evidence to substantiate your entitlement to receive payment for the disallowed USF payments, provide such evidence to the Commission within 14 days of the Due Date. Because our determination is based on the information you either provided or were unable to provide, there is no apparent reason for you to inspect and copy those same records. Finally, you may request the opportunity to repay the debt under the terms of a written agreement; however, such request must be made with 14 days of the date of this notice, and you must execute the Commission's form of the agreement within thirty days of the date of this notice.

This letter is sent by overnight delivery service and by e-mail.

The points of contact on this letter are Neil Dellar, who may be reached at (202) 418-8214 and Thomas Buckley, who can be reached at (202) 418-0725.

Sincerely,



Dana Shaffer
Deputy Managing Director

Copies:

Jonathan Sallet – General Counsel
Richard L. Tegtmeier, Esq.

Enclosures: Attachments A & B

²⁸ 31 U.S.C. §§ 3711(g); 3716; 28 U.S.C. § 3001, *et seq.*; 47 C.F.R. § 1.1912.

²⁹ 31 U.S.C. § 3717(e); 31 C.F.R. § 285.12 (j).

³⁰ 31 U.S.C. § 3716.

³¹ 28 U.S.C. § 3011.

BLANCA TELEPHONE COMPANY: HIGH COST ANALYSIS HIGH COST SUPPORT 2005 - 2010 SUPPORT PAID VS. CORRECTED SUPPORT										
FUND	ROW	SCENARIO	YEAR						TOTAL	
			2005	2006	2007	2008	2009	2010		
HCL	(1)	Support Actually Paid	\$802,620	\$787,644	\$751,512	\$837,624	\$860,916	\$993,096	\$5,033,412	USAC Disbursement Records
	(2)	Government Calculation	\$575,225	\$595,364	\$628,352	\$729,442	\$790,817	\$779,550	\$4,098,750	Gov't. Study Calculations
	(3)=(1)-(2)	Difference	\$227,395	\$192,280	\$123,160	\$108,182	\$70,099	\$213,546	\$934,662	
LSS	(4)	Support Actually Paid	\$946,136	\$868,296	\$954,312	\$983,088	\$932,868	\$696,891	\$5,381,591	USAC Disbursement Records
	(5)	Government Calculation	\$116,660	\$150,261	\$170,321	\$171,884	\$166,471	\$225,558	\$1,001,155	Gov't. Study Calculations
	(6)=(4)-(5)	Difference	\$829,476	\$718,035	\$783,991	\$811,204	\$766,397	\$471,333	\$4,380,436	
ICLS	(7)	Support Actually Paid	\$437,352	\$421,224	\$472,206	\$520,236	\$545,652	\$593,280	\$2,989,950	USAC Disbursement Records
	(8)	Government Calculation	\$235,616	\$217,450	\$275,442	\$297,493	\$308,808	\$323,503	\$1,658,312	Gov't. Study Calculations
	(9)=(7)-(8)	Difference	\$201,736	\$203,774	\$196,764	\$222,743	\$236,844	\$269,777	\$1,331,638	
SNA	(10)	Support Actually Paid	\$19,164	\$19,164	\$19,164	\$19,164	\$12,444	\$12,444	\$101,544	USAC Disbursement Records
	(11)	Government Calculation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Totally Unregulated
	(12)=(10)-(11)	Difference	\$19,164	\$19,164	\$19,164	\$19,164	\$12,444	\$12,444	\$101,544	
TOTAL	(3)+(6)+(9)+(12)	Total Overpayment	\$1,277,771	\$1,133,253	\$1,123,079	\$1,161,293	\$1,085,784	\$967,100	\$6,748,280	

(USAC Confidential - Contains Investigatory Information)

ATTACHMENT B

Payment Instructions

The following information is being provided to assist you in making your payment.

All payments must be made in U.S. currency in the form of a wire transfer. No personal checks, cashier's checks or other forms of payment will be accepted. Payment should be wired, pursuant to the following instructions:

ABA Routing Number: 021030004

Receiving Bank: TREAS NYC

33 Liberty Street

New York, NY 10045

ACCOUNT NAME: FCC

ACCOUNT NUMBER: 27000001

OBI Field: USF – High Cost Program

APPLICANT FRN: _____ (Blanca Telephone Company)

DEBTOR NAME: (same as FCC Form 159, Block 2)

LOCKBOX NO.: #979088

Please fax a completed remittance advice (Form 159) to U.S. Bank, St. Louis, Missouri at (314) 418-4232 at least one hour before initiating the wire transfer (but on the same business day).

For questions regarding the submission of payment, contact Gail Glasser, Office of the Managing Director, Financial Operations, at (202) 418-0578.

